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TO RUEHC/SECSTATE WASHDC IMMEDIATE 9607  
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RUEHBY/AMEMBASSY CANBERRA 2808  
RUEHKA/AMEMBASSY DHAKA 1110  
RUEHNE/AMEMBASSY NEW DELHI 2034  
RUEHPB/AMEMBASSY PORT MORESBY 3884  
RUEHKO/AMEMBASSY TOKYO 2263  
RUEHWL/AMEMBASSY WELLINGTON 2869  
RUEHHK/AMCONSUL HONG KONG 2825  
RUEHPT/AMCONSUL PERTH 0976  
RUEAIIA/CIA WASHDC  
RUEAWJB/DEPT OF JUSTICE WASHDC  
RHMCSUU/FBI WASHINGTON DC  
RHEHNSC/NSC WASHDC  
RHHJJPI/USPACOM HONOLULU HI

UNCLAS SECTION 01 OF 03 JAKARTA 001408

SIPDIS

CANBERRA: PLEASE PASS TO FBI DIRECTOR MUELLER  
STATE FOR EAP, EAP/MTS, EEB/IFD/OIA, INL BARCLAY  
FBI FOR DIRECTOR ROBERT S MUELLER  
DOJ FOR CRIM AAG SWARTZ  
DOJ/OIA FOR WARNER/ROBINSON  
DOJ/OPDAT FOR ALEXANDRE/LEHMANN/JOHNSON  
USAID FOR ANE/AA WARD

E.O. 12958: N/A

TAGS: [PREL](#) [KJUS](#) [KCOR](#) [PTER](#) [ID](#)

SUBJECT: SCENESETTER FOR FBI DIRECTOR MUELLER

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¶1. (U) This message is Sensitive but Unclassified.

¶2. (SBU) SUMMARY: FBI assistance programs are critical for Indonesia's democratic development. Over the past ten years of its democratic transition, Indonesia has worked to establish the laws, institutions, and procedures for sustained governance reform and improving rule of law. It has made strides in these areas thanks, in part, to USG assistance, but much needs to be done.

¶3. (SBU) SUMMARY (Con'd): To assist the overall effort, the FBI and the Department of Justice are partnering with Indonesia on many fronts: counterterrorism; anti-corruption; criminal procedure reform; anti-money laundering; asset forfeiture; trafficking in persons; environment protection; and, in the building of overall investigative and prosecutorial capacity. This partnership has yielded concrete results, including the arrest and conviction of terrorists, effective corruption prosecutions, seizures of illegal drugs and the overall advancement of U.S. strategic interests. The FBI Director's visit to Indonesia underscores the importance of the growing bilateral partnership in the areas of law enforcement and the rule of law. END SUMMARY.

DEMOCRACY IN ACTION

¶4. (SBU) Many observers believe Indonesia to be the most democratic country in Southeast Asia. President Yudhoyono has moved to enact a reform agenda during his tenure. The legislature--while still experiencing growing pains--has increasingly asserted itself in domestic affairs and foreign policy. Indonesia has held over 350 local elections--without major incident--in the past five years, many in former conflict areas such as Ambon, Central Sulawesi, and Aceh. Key provinces in Java are holding or have held elections involving well over a 100 million people this year.

15. (U) In the spring of 2009, Indonesia will conduct its second direct Presidential election. The 2004 Indonesian presidential election went smoothly. The 2009 contest is expected to be a close battle between Yudhoyono and former president Megawati Sukarnoputri (daughter of the country's first president, Sukarno). The economy is Yudhoyono's Achilles heel, and as Indonesia gears up for these presidential and legislative elections, domestic issues will increasingly dominate the political scene. Despite economic uncertainty, the prospects for a peaceful and transparent election remain high.

16. (U) That said, rising prices of both food and fuel, both of which are subsidized by the Indonesian government, have created challenges for the Yudhoyono administration. In May, the government mandated a nearly 30-percent increase in fuel prices which sparked some public protests and a decline in the popularity of President Yudhoyono. Rapidly rising prices for basic commodities are chewing up the disposable income of the poor--precisely the people Yudhoyono pledged to help in his last presidential campaign. Nearly half of the approximately 240 million Indonesians live on \$2 a day or less. Increasing subsidies to keep fuel prices in check are forcing the government to divert money from health, education and infrastructure--basic drivers of long-term prosperity.

17. (SBU) Despite the deep-rooted moderation of Indonesia's pluralistic society and constitutionally guaranteed religious freedom, Islamic hard-liners remain a problem. The governmental advisory body, the Indonesian Ulema Council (MUI), has issued conservative fatwas against pluralism, liberalism, and secularism. Most recently, the MUI issued a fatwa against Muslim sect, Ahmadiyah, declaring it heretical,

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which resulted in a series of attacks against members of the sect. The Government of Indonesia subsequently banned Ahmadiyah from proselytizing, creating further confusion as to the sect's status. Because the Islamic vote is critical in the upcoming presidential and legislative elections, Indonesian political leaders are reluctant to challenge the hard-liners.

#### OVERVIEW OF LAW ENFORCEMENT ASSISTANCE

18. (SBU) Functions exercised by the Department of Justice in the U.S. are divided among several institutions in Indonesia.

Since its separation from the military in 1999, the Indonesian National Police are responsible for internal security. The Indonesian National Police (INP) are primarily responsible for criminal investigations. The Attorney General's Office (AGO) handles prosecutions in ordinary cases in the general courts and is authorized to investigate corruption cases. The Corruption Eradication Commission (KPK) leads high-level corruption investigations and prosecutions, and presents its cases in a specialized Anti-Corruption Court. The Ministry of Law and Human Rights is responsible for developing justice sector legislation, administration of the prisons, and serves as Indonesia's central authority for mutual legal assistance requests.

19. (SBU) Reform of law enforcement institutions and their procedures are a cornerstone of Mission efforts to support rule of law in Indonesia. In addition to operational duties, FBI/Legat is a critical component in the Mission's efforts to advance rule of law. FBI/Legat Jakarta provides operational and investigative support to the police in the areas of counterterrorism, corruption, and transnational crime.

110. (SBU) In these efforts, FBI/Legat works closely with DOJ/ICITAP to develop the operational and organizational capacity of the police through technical assistance and training in evidence handling; investigating cyber crime; disarming and preventing the proliferation of weapons of mass destruction; post-blast handling; and report writing. FBI/Legat is working with DOJ/OPDAT to reform the criminal

procedure code; foster better cooperation between police and prosecutors; and provide training to the KPK on undercover operations and case management.

#### SUCCESS IN COUNTER-TERRORISM PARTNERSHIP

¶11. (SBU) In May 2008, the Department of State lifted the travel warning for Indonesia, reflecting the improved security situation since the spate of terrorist attacks from 2002-2005. Indonesian National Police Chief General Sutanto is a reformer who is dedicated to establishing a professional police force that manages internal security and serves the people. Over the last six years, Indonesian Police have arrested and prosecuted hundreds of terrorists, including the three Bali bombers who currently await execution. The recent and highly publicized arrests of operatives of Jemaah Islamiyah, a regional terrorist organization, and the seizure of approximately 20 Improvised Explosive Devices in Palembang is the latest in a series of successes and reflects on the increased capacity of the Indonesian National Police.

¶12. (SBU) The FBI works closely with Indonesian National Police, along with other U.S. partners and the Australian Federal Police, in quietly providing operational support on CT and transnational crime. The U.S.-supported Attorney General's Terrorism and Transnational Crime Task Force has been responsible for the successful prosecution of approximately 43 terrorist suspects, including 26 JI members.

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#### ANTI-CORRUPTION REFORM

¶13. (SBU) When President Yudhoyono was elected in 2004, he made combating corruption his top priority. As a result, the Corruption Eradication Commission was founded in 2004, as an independent governmental body. The KPK has prosecuted numerous high profile cases and has coordinated government-wide prevention strategies. The FBI and other Mission entities have provided a wide range of operational and technical support for the KPK. For example, ICITAP, using funding from U.S. Millennium Challenge Corporation Threshold Program (MCC), is purchasing millions of dollars in electronic surveillance equipment to assist the KPK in gathering electronic evidence which will more effectively assist in prosecutions. The FBI has worked with OPDAT to provide corruption investigative training and money laundering training. With support from the USG, the AGO recently created an elite Anti-Corruption Task Force modeled after the highly successful Terrorism and Transnational Crime Task Force.

#### A KEY VISIT

¶14. (SBU) With the continuing assistance of the FBI and other USG entities, Indonesia is still developing its governance architecture and the results are only now slowly starting to materialize. A sustained U.S.-Indonesian partnership to promote regional stability and rule of law is essential to Indonesia continuing its democratic development. The FBI is a critical element in continuing and enhancing rule of law in Indonesia. This visit to Indonesia provides an important opportunity to express appreciation and support for the efforts of the Indonesian government and to encourage greater cooperation.

HUME